Edible oil launched by Cargill Seeds

4272. SHRI K.B. KRISHNA MURTHY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the multi-national Cargill Seeds has launched its branded edible oil in the market without seeking the mandatory approval of the Foreign Investment Promotion Board;

(b) whether Cargill has existing Government approvals for bringing in direct investment upto dollar 55.00 million, which is yet to be fully exhausted;

(c) whether Cargill has contended that its new business plan falls under the automatic route of FEMA which obviates the necessity of securing fresh approval; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (d) Cargill Asia Pacific Ltd., USA has FIPB approval to set up a 100% subsidiary in India with investment amounting to US$ 25 million for undertaking, *inter alia*, trading of agricultural commodities and processed foods. The Indian subsidiary, Cargill India Pvt. Ltd., set up pursuant to the aforesaid approval, has also been granted FIPB approval in April 2002 for undertaking vegetable oil refinery activity by way of taking on lease the existing oil refineries or setting up own production facility depending upon market requiements. The approval is subject to the condition that in case the company manufactures vegetable oil (except by solvent extraction process) for refining, which is reserved exclusively for the SSI Sector, it would obtain Industrial License and undertake minimum 50% export obligation.

Incentives to developers of townships

4273. SHRI BHAGAT RAM MANHAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to answer to Starred Question 235 given in the Rajya Sabha on 19th March, 2002 and state:

(a) whether Government are considering to provide incentives by way of subsidies to the promoters/developers who have already built townships having provided basic amenities/facilities namely water, roads, electricity, etc.; and

(b) so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) Under the provisions of section 80-1A of Income Tax Act, 1961, infrastructure including roads, highways, bridges, airports, ports, sewerage and rail systems are regarded as infrastructure facility and the enterprises engaged in developing or operating and maintaining or developing, operating and maintaining such infrastructure are entitled to a tax holiday as given below:

(1) Basic infrastructure:— 10 year tax holiday (out of initial 20 years) for roads, highways, rail, sanitation, sewerage, water supply, etc., and 10 year tax holidy (out of initial 15 years) for airport, port, inland port or waterways.

(2) Power Projects:— A ten year tax holiday (out of initial 15 years) instead of two tier benefit made available to undertakings commencing generation of power and new transmission and distribution lines. The benefit has been extended to undertakings, which begin to generate or distribute power before 31/3/2006.

(3) Industrial parks and Special Economic Zones (SEZs):— A ten year tax holiday (out of initial 15 years) instead of two tier benefit made available to developers of Industrial Parks during the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2006, has been extended to enterprises developing SEZs also.

Promoter/Developers who have already developed township will be eligible for deductions with regard to profits from such specified basic amenities/ facilities, provided they fulfil the conditions of section 80-1A of the Income tax Act, 1961.

Scheme on Infrastructure Development for exports

4274. SHRI BHAGATRAM MANHAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have announced a comprehensive scheme called Assistance to States for Infrastructure Development for Exports' (ASIDE) to provide assistance to the State Governments/Union Territories for the development of infrastructure facilities for exports;

(b) if so, what are the salient feature of the policy;